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NATIONAL INTELLIGENCE DAILY CABLE

Friday 27 January 1978

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NATIONAL SECURITY INFORMATION

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USSR - US - MIDDLE EAST: Harsh Line

[] The current pause in Egyptian-Israeli negotiations has not eased Soviet concerns about the possibility of "separate" agreements in the Middle East. Soviet spokesmen have conceded that Moscow's position has become "more complicated" as a result of President Sadat's initiatives, and Soviet commentary has become significantly more critical of the role of the US. Moscow clearly anticipates additional Egyptian-Israeli contacts and may foresee less favorable conditions for Soviet-US relations as a result.

[] The harsher line toward US foreign policy initiatives, particularly US involvement with the Egyptian-Israeli talks, was set last month when President Brezhnev charged that changes in the Middle East had been of a "negative character" and that the situation had been "aggravated sharply." Premier Kosygin underscored Moscow's displeasure two weeks ago by lashing out at Sadat's "unilateral concessions" which, he said, diminished chances for a comprehensive settlement at any Geneva conference.

[] The most critical assessment of US tactics in the Middle East was made on Monday by Politburo candidate member Ponomarev, who is now visiting the US. Ponomarev accused the administration of "unilaterally renouncing" the US-USSR declaration of October--the strongest language yet used by a key Soviet official on the issue. He did, however, moderate his tone in his address to the House of Representatives yesterday.

[] For the past two weeks, there has also been a general stiffening of Soviet press comment on US foreign policy in general. President Carter has been singled out for personal criticism for the first time in five months, and Dr. Brzezinski is again being referred to as the "chief administration hawk."

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[] Soviet public lecturers also appear to be perceiving some negative turn in Soviet-US relations. An audience in Leningrad was told, for example, that the outlook is for continued "separatist" talks, which could lead to "aggravation" in Soviet-US relations. The prospect that Syria might become involved in these negotiations, which has presumably been a major but unstated Soviet concern for the past several weeks, was also raised.

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ISRAEL: Contradictory Attitudes

[] *Most Israelis support Prime Minister Begin's decision to delay the resumption of the military talks in Cairo as an appropriate and justified response to President Sadat's pressure tactics and to what the Israelis view as a tough, unyielding Egyptian negotiating stance. This consensus, however, masks some uneasiness in Israel over Begin's handling of the negotiations and an ambivalence on the issue of Israeli settlements in the Sinai.*

[] There has been little reasoned public debate thus far over the importance of these settlements, and Begin has done little to clarify the issue. As a result, the Israeli public remains torn between its desire for peace and its concern for security, symbolized by the settlements.

[] A recent public opinion poll conducted by Hebrew University illustrates the Israelis' contradictory attitudes. Those polled favor by a wide margin the retention of the Sinai settlements under Israeli sovereignty but oppose almost as strongly any further settlement activity in the occupied territories pending the outcome of peace negotiations. The public also strongly supports Begin's peace efforts but is sharply divided along traditional hawk-dove lines over the specifics of his peace plan.

[] Until now, Begin's critics have generally faulted him for giving up too much too soon in the Sinai. The Prime Minister

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in turn has used this opposition to justify his refusal to abandon the settlements, contending that no Israeli Government could agree to dismantle these settlements and survive.

[] A few influential Israeli commentators, however, are starting to question whether the settlements are necessary to Israel's defense, as Begin insists, or are an obstacle to peace with Egypt. The US Embassy in Tel Aviv believes that a growing number of Israelis are beginning to realize the settlements may be an impediment to peace but are uncertain how to resolve the dilemma.

[] Begin's efforts to placate his rightwing critics and his rhetorical clashes with Sadat are also arousing concern. Moderates within the ruling coalition in particular opposed the cabinet's decision to "thicken" the existing settlements in the northern Sinai, fearing the impact on negotiations. They believe Begin has subsequently overreacted to criticism from Cairo and let his emotions interfere with the talks.

[] Several cabinet ministers from the Democratic Movement for Change and the Liberals in Begin's Likud bloc reportedly agreed only reluctantly to go along with the decision this week to suspend the military talks, apparently on the understanding that the talks would resume soon.

[] Their discontent may have contributed to Begin's decision to moderate the tone of his Knesset speech on Monday. In any event, there was general relief in the Israeli parliament that Begin had resisted the temptation to indulge in another verbal battle with Sadat.

[] Should Begin's hard-line posturing again appear to jeopardize the peace talks, coalition moderates could unite into a more influential bloc. At present, however, they are not well organized nor prepared to take issue with Begin publicly; nor do they have a strong spokesman in the cabinet to press their viewpoint.

[] Defense Minister Weizman could emerge as a proponent of the moderate position. He does not appear as firmly committed as Begin to retaining the Sinai settlements and has already locked horns with Agriculture Minister Sharon over the settlements issue.

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[] In addition, he sided this week with the moderates in urging an early resumption of the military talks. Weizman is likely to tread cautiously, however, in urging greater flexibility, lest he antagonize Begin and important groups within Likud.

[] Israeli hard-liners, both inside and outside the coalition, have been much more aggressive and successful than the moderates in pressing their position, especially on the settlement issue. Religious militants of the Gush Emunim sought again this week to dramatize their opposition to Begin's peace plan by establishing an illegal settlement on the West Bank, reneging on a previous understanding they had reached with Begin personally.

[] Begin could respond more forcefully than he has so far to this kind of challenge, but only if he is prepared to rely more heavily on the support of the Democratic Movement for Change and the Liberals. Thus far, he has sought to temporize and avoid a showdown because many of his hardcore supporters also sympathize with the Gush Emunim and because of his own ideological affinity with Gush leaders.

[] Neither the moderates nor the hard-liners represent a serious threat to Begin's authority at this point, although the conflicting pressures restrict his room to maneuver. Perhaps more important, they add to the emotional and physical strain Begin is under, which has unquestionably affected this performance in the negotiations. The continued opposition of some of his former close supporters has been particularly frustrating and painful for Begin. []